Utilisation certificate for the release of money under MPLADS

*314. SHRIMATI BASANTI SARMA:
DR. SHRIKANT RAMCHANDRA JICHKAR:

Will the Minister of PLANNING AND PROGRAMME IMPLEMENTATION be pleased to state:

(a) whether the requirement of producing a utilisation certificate has been done away with for releasing the next instalment under the MPLADS;

(b) whether the Prime Minister has made an announcement in this regard recently; and

(c) by when the orders in this regard are likely to be issued?

THE MINISTER OF STATE OF THE MINISTRY OF PLANNING AND PROGRAMME IMPLEMENTATION (SHRI BALARAM SINGH YADAVA): (a) It has been decided that the second instalment of Rs. 50 Lakhs for 1995-96 under MPLADS would be released to all the Members of Parliament without linking it with the utilisation certificate.

(b) No, Sir.

(c) The necessary steps in the matter are being taken.

Reference of ECL to BIFR

*315. SHRI DIPANKAR MUKHERJEE:
SHRI NILOTPAL BASU:

Will the Minister of COAL be pleased to state:

(a) whether Eastern Coalfields Limited has been referred to BIFR;

(b) if so, the reasons therefor and the break-up of its year-wise losses during the last three years and the total accumulated loss;

(c) whether any revival plan has been formulated by Government as a promoter for submission to BIFR and the Operating Agency;

(d) if so, the salient features of the same; and

(e) if not, the reasons therefor?

THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRI JAGDISH TYTLER): (a) Yes, Sir.

(b) to (e) As per Section 23 of the amended Sick Industrial Companies (Special Provisions) Act, 1985, if the accumulated losses of an industrial company, as at the end of any financial year have resulted in erosion of fifty per cent or more of its peak net worth during the immediately preceding four financial years, the company is required to report the fact of the erosion to the BIFR within 60 days from the date of finalisation of the duly audited accounts of the company for the relevant financial year. As per this amended provision of the Act, Eastern Coalfields Limited can be deemed to be a potentially sick company as its net worth has eroded beyond 50% as detailed below:—

(Rs. in Crores)

	(As on 31.3.1995)
Equity	1039.00
Less:	
Accumulated losses	1000.24
Misc. expenses to be written off	29.52
	9.24

The reference to BIFR was made on 23.11.1995. As per Section 23A (3) of the above cited Act, if the BIFR is of the opinion that an industrial company referred to it is not likely to make its networth exceed its accumulated losses within a reasonable time while meeting all its financial obligations and that the com-